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C O N F I D E N T I A L SEOUL 001373

SIPDIS

E.O. 12958: DECL: 08/26/2019  
TAGS: [PGOV](#) [PREL](#) [KN](#) [KS](#)  
SUBJECT: DESPITE NORTH-SOUTH THAW, BLUE HOUSE TO MAINTAIN  
FIRM LINE

Classified By: POL M/C James L. Wayman. Reasons 1.4(b/d)

¶1. (C) SUMMARY: Two trusted Ministry of Unification (MOU) interlocutors told us August 26 that the prevailing sentiment within the ministry is that the visit of the DPRK funeral delegation represented a "breakthrough" in inter-Korean relations. MOU expects positive results from the inter-Korean Red Cross dialogue August 26-28 and hopes the detained ROK fishing boat and crew will be released by North Korea in the very near future. COMMENT: Our MOU contacts appear convinced that there has been a major shift in North Korea's approach to the south, personally blessed by Kim Jong-il and believe the ROK should revert to a policy of broad engagement with Pyongyang. The Blue House, however, appears to view recent events as vindicating its policy, and is in no hurry to move forward quickly on improving North-South ties. END SUMMARY AND COMMENT.

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MOU Upbeat on NK Visit to Seoul: "A Breakthrough"  
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¶2. (C) MOU Director of Intelligence and Analysis Lee Chan-ho and Director of the MOU's Economic and Social Analysis Division Park Chul told us August 26 that the North Korean delegation's August 21-23 visit to Seoul signaled a "breakthrough" in inter-Korean relations. This shift in North Korea's attitude, they asserted, demonstrated KJI's confidence and his probable improvement in health. According to Lee, Chosun Sinbo, a pro-North Korea newspaper in Japan, provided heavy coverage of the delegation's visit to Seoul and North Korea's internal propaganda has described the North's new South Korea policy as personally blessed by KJI and "irreversible." These developments, they argued, collectively suggested there is much potential for positive developments in inter-Korea relations. Both Lee and Park said the MOU was expecting "good news" from the August 26-28 inter-Korean Red Cross Talks as well as the release of the detained ROK fishing boat and crew in the near future.

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Blue House Line to Change in Response?  
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¶3. (C) Despite the positive signs from Pyongyang, MOU Social and Cultural Exchanges Division Deputy Director Kim Seong-hyun told us privately that Blue House's firm approach will likely continue in the near term. Kim, whose office is in charge of NGO visits and tourism to North Korea, said the Blue House is "sticking with its principles" on dealing with North Korea. He noted that Blue House advisers on DPRK issues feel vindicated that their approach seems to have paid off. Mt. Kumkang and Kaesong city tours are unlikely to resume this year, Kim lamented.

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Family Reunions: Logistical Concerns  
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¶4. (C) While the ROK government and public welcomed the DPRK's decision to hold inter-Korea Red Cross talks August 26-29 at Mt. Kumkang to discuss a possible reunion for separated families, MOU foresees enormous logistical challenges ahead. Deputy Director Kim noted that the resort, where inter-Korean Red Cross talks will being held and where the separated families' reunion would take place, has been unoccupied and unstaffed for over a year.

¶5. (C) When the last reunions were held two years ago, Hyundai-Asan tourism staff assisted. However, most of the ethnic Korean-Chinese workers were laid off soon after the July 2008 shooting incident and the resort was shut down. Left unused for almost a year, even the handful of officials currently at the resort had to bring box lunches from a nearby South Korean town. The North Koreans are also nervous, not wanting to have the ROKG officials who participate in the Red Cross talks return to Seoul sickened by bad water or food. According to Kim, Hyundai Asan, anxious to resume its tours to North Korea, is confident it can find, hire and train the needed staff within a month. MOU, however, remains skeptical.  
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